

## **The Impact of Green Human Resource Management on Social, Environmental, and Economic Performance: The Mediating Role of Green Innovation**

Seyedeh OMSalameh Pourhashemi <sup>a,\*</sup>, Alireza Ansari <sup>b</sup>, Amirmohammad Alidoust Moazezi Lahijan <sup>c</sup>, Somayeh Sadat Jafarpour <sup>d</sup>

<sup>a</sup>Islamic Azad University Tehran Central Branch, Department of Engineering, Tehran, Iran

<sup>b</sup>Ph.D. student in Marketing Management, Islamic Azad University Tehran Central Branch, Tehran, Iran

<sup>c</sup>Technische Universität Ilmenau, Department of Computer Science and Automation, Germany

<sup>d</sup>AL-Mahdi-Mehr Isfahan, Faculty of Management, Isfahan

\* Corresponding author email address: [pourhashemi1986@gmail.com](mailto:pourhashemi1986@gmail.com)

### **Abstract**

This study examines the enhancing sustainable performance through green human resource management (GHRM) and the effect of the mediating role of green innovation (GI) on these relationships Iran manufacturing firms. A quantitative survey was conducted with 188 SMEs located in the Tehran and analyzed using partial least squares–structural equation modelling (PLS-SEM). The findings revealed that GHRM had a direct effect on GI. This study also reveals that GI had a direct positive effect on social performance (SP), environmental performance (EP) and economic performance (ECP). Also, it was identified that GI partially mediated the relationship between GHRM and SP, EP and ECP. Finally, digital orientation (DO) in this study was proven to significantly moderate the relationship between GHRM and GI.

Keywords: HRM, Green Innovation, Sustainable Performance, Digital Orientation

### **1. Introduction**

Green human resource management (GHRM) is a growing field that links human resource management (HRM) activities with environmental priorities while still supporting employee well-being. The main aim is to stay financially stable while working toward social and business goals at the same time. GHRM has gained attention because it helps organizations create environmentally responsible strategies that also support the retention of skilled staff [1]. Modern firms are under pressure to stay competitive while responding to stronger environmental and social expectations. During the past ten years, organizations have relied on two related capabilities to support sustainability. GHRM embeds ecological values in key human resource (HR) activities such as hiring, training, performance assessment, and rewards to shape pro-environmental attitudes and actions in the workforce [2-4]. Green Innovation (GI) involves creating and applying environmentally efficient products, processes, and business models that help reduce resource use, cut emissions, and build new growth chances [5, 6]. Aggarwal and Agarwala [7] show that building a green work culture can support environmentally sustainable innovation and help firms gain an advantage. GI refers to changes that affect environmental management [8]. Organizations are updating their environmental management approaches in response to resource shortages and environmental pressures. To support sustainability and encourage innovation, current organizations are encouraged to adopt approaches that consider environmental needs [9].

GI strategies can raise resource efficiency and reduce pollution. HR practices can help guide and maintain these efforts. GI is now seen as a central business strategy [10]. Prior works on HRM and organizational innovation [11, 12] show that HRM has a positive and meaningful effect on product and service innovation. Also, firms that practice GI tend to show stronger performance [13], while also reducing harmful environmental effects and improving environmental performance (EP) [14, 15]. Even though many studies have highlighted the separate benefits of GHRM and GI, there is still limited empirical clarity on how they work together to influence Sustainable Business Performance (SBP). In this study, SBP includes economic performance (ECP), EP, and social performance (SP). GI is strongly connected to environmental management strategy and has been found to improve EP, ECP, and SP [12, 16, 17]. GI also helps reduce negative environmental effects from business operations and improves social and financial outcomes through lower costs and less waste [18]. GI shows a strong positive link